

SERFF Tracking Number: AMMH-125312921 State: Arkansas
Filing Company: American Modern Select Insurance Company State Tracking Number: AR-PC-07-026314
Company Tracking Number: 20071003-03
TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners
Product Name: 085 AR DP1,DP3 & Vacant
Project Name/Number: AR DP1,DP3 & Vacant RATE/20071003-03

Filing at a Glance

Company: American Modern Select Insurance Company

Product Name: 085 AR DP1,DP3 & Vacant SERFF Tr Num: AMMH-125312921 State: Arkansas
TOI: 04.0 Homeowners SERFF Status: Closed State Tr Num: AR-PC-07-026314
Sub-TOI: 04.0005 Other Homeowners Co Tr Num: 20071003-03 State Status:
Filing Type: Rate Co Status: Reviewer(s): Becky Harrington,
Betty Montesi, Brittany Yielding
Author: Krista Mahaffey Disposition Date: 10/24/2007
Date Submitted: 10/03/2007 Disposition Status: Filed
Effective Date Requested (New): 12/01/2007 Effective Date (New): 12/01/2007
Effective Date Requested (Renewal): 12/01/2007 Effective Date (Renewal):
12/01/2007

General Information

Project Name: AR DP1,DP3 & Vacant RATE
Project Number: 20071003-03
Reference Organization:
Reference Title:
Filing Status Changed: 10/24/2007
State Status Changed: 10/04/2007
Corresponding Filing Tracking Number:
Filing Description:

Status of Filing in Domicile:
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:

On behalf of American Modern Home Insurance Company I would like to present a revision to our existing DP-1, DP-3 & Vacant Programs. This filing will take place of the current filing which was effective for new business on 11-01-2005. The corresponding form filing is also being submitted for your review, that project number is 20070601-07.

Company and Contact

Filing Contact Information

Krista Mahaffey, Filing Analyst

kmahaffey@amig.com

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7000 Midland Blvd (800) 759-9008 [Phone]
Amelia, OH 45102 (513) 947-4695[FAX]

Filing Company Information

American Modern Select Insurance Company	CoCode: 38652	State of Domicile: Ohio
7000 Midland Blvd.	Group Code: 127	Company Type: Property/Casualty
Amelia, OH 45102	Group Name:	State ID Number:
(513) 759-9008 ext. [Phone]	FEIN Number: 38-2342976	

<i>SERFF Tracking Number:</i>	<i>AMMH-125312921</i>	<i>State:</i>	<i>Arkansas</i>
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Filing Fees

Fee Required?	Yes
Fee Amount:	\$100.00
Retaliatory?	No
Fee Explanation:	Rate Filing
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Modern Select Insurance Company	\$0.00	10/03/2007	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Becky Harrington	10/24/2007	10/24/2007

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Becky Harrington	10/05/2007	10/05/2007	Krista Mahaffey	10/22/2007	10/22/2007

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Previous Note to Reviewer (Filing Fee Check)	Note To Reviewer	Krista Mahaffey	10/08/2007	10/08/2007
Filing Fee Check	Note To Reviewer	Krista Mahaffey	10/08/2007	10/08/2007

<i>SERFF Tracking Number:</i>	<i>AMMH-125312921</i>	<i>State:</i>	<i>Arkansas</i>
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Disposition

Disposition Date: 10/24/2007

Effective Date (New): 12/01/2007

Effective Date (Renewal): 12/01/2007

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: AMMH-125312921 State: Arkansas

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Company Tracking Number: 20071003-03

TOI: 04.0 Homeowners Sub-TOI: 04.0005 Other Homeowners

Product Name: 085 AR DP1,DP3 & Vacant

Project Name/Number: AR DP1,DP3 & Vacant RATE/20071003-03

Item Type	Item Name	Item Status	Public Access
Supporting Document	Form RF-1 NAIC Loss Cost Data Entry Document--All P&C Lines	Filed	No
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	HPCS-Homeowners Premium Comparison Survey		No
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp		No
Supporting Document	Actuary Indications	Filed	Yes
Supporting Document	Transmittal	Filed	Yes
Supporting Document	Response Cover Letter	Filed	Yes
Rate	Rate Filing	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response

Objection Letter Date 10/05/2007

Submitted Date 10/05/2007

Respond By Date

Dear Krista Mahaffey,

This will acknowledge receipt of the captioned filing.

Objection 1

No Objections

Comment: Show the formula used to calculate the indicated rate need shown on the RF-1.

Objection 2

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment: Provide a completed rate/rule schedule or complete the rate information of the rate schedule tab.

Objection 3

- Rate Filing (Rate)

Comment: Provide justification for the changes to the insurance score relativities. Has the model been previously filed?
If not, please file the current model.

Objection 4

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment: The copy of the cover letter mentioned in the UT Document was not attached.

Please feel free to contact me if you have questions.

In accordance with Regulation 23, Section 7.A., this filing may not be implemented until 20 days after the requested amendment(s) and/or information is received.

Sincerely,

Becky Harrington

Response Letter

Response Letter Status Submitted to State

Response Letter Date 10/22/2007

<i>SERFF Tracking Number:</i>	<i>AMMH-125312921</i>	<i>State:</i>	<i>Arkansas</i>
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<i>Project Name/Number:</i>	<i>AR DP1,DP3 & Vacant RATE/20071003-03</i>		
Submitted Date	10/22/2007		

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Dear Becky Harrington,

Comments:

On behalf of American Modern Select Insurance Company I would like to address questions and concerns you have regarding our dwelling program filing submission.

Response 1

Comments: On behalf of American Modern Select Insurance Company I would like to address questions and concerns you have regarding our dwelling program filing submission.

Related Objection 1

Applies To:

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment:

Provide a completed rate/rule schedule or complete the rate information of the rate schedule tab.

Related Objection 2

Applies To:

- Rate Filing (Rate)

Comment:

Provide justification for the changes to the insurance score relativities. Has the model been previously filed? If not, please file the current model.

Related Objection 3

Applies To:

- Uniform Transmittal Document-Property & Casualty (Supporting Document)

Comment:

The copy of the cover letter mentioned in the UT Document was not attached.

Related Objection 4

Comment:

Show the formula used to calculate the indicated rate need shown on the RF-1.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Response Cover Letter

Comment:

SERFF Tracking Number: *AMMH-125312921* *State:* *Arkansas*
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Product Name: *085 AR DP1,DP3 & Vacant*
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No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Thank You,

Sincerely,
Krista Mahaffey

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Note To Reviewer

Created By:

Krista Mahaffey on 10/08/2007 02:34 PM

Subject:

Previous Note to Reviewer (Filing Fee Check)

Comments:

Please disregard the previous filing fee check number, the actual check number is 85003642 in the amount of \$100.

Sorry for any inconvenience this may have caused.

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Note To Reviewer

Created By:

Krista Mahaffey on 10/08/2007 02:32 PM

Subject:

Filing Fee Check

Comments:

Hello,

I have sent the fee for this filing to the appropriate address; check number 77099439 in the amount of \$100.

I will also be addressing the concerns I received from you as soon as possible.

Thank You.

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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Rate Filing	G1-G2, E1-E4,R1-R12	Replacement	Send to State - AR085-D1-D3-07.pdf

ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

GENERAL RULES

1. DEFINITIONS

- A. Dwelling – a structure used as the insured's primary residence containing not more than 4 dwelling units or more than 3 stories.
- B. Vacant/Unoccupied Dwelling – a dwelling that is unoccupied and/or being held for sale, whether or not the contents have been removed.
- C. Seasonal Dwelling - a dwelling that is not the primary residence of the insured, but one that is used on an intermittent basis by the insured and his (her) immediate family.
- D. Rental Dwelling – a dwelling that is rented to others for residential purposes. Insurance is written to cover the interest of the owner of a rented dwelling.
- E. Single Building
- a. All buildings or sections of buildings which communicate through unprotected openings.
 - b. Buildings which are separated by a space shall be considered separate buildings.
 - c. Buildings or sections of buildings which are separated by an eight (8) inch masonry party wall which pierces or rises to the underside of the roof shall be considered separate buildings. Communication between buildings through masonry party walls described above shall be protected by at least a Class "A" Fire Door installed in a masonry wall section.
- F. Construction Types – The three different construction types are defined below.
- a. Frame (1) - Exterior walls of wood or other combustible construction, including walls with metal, stucco, or metal lath and plaster on combustible supports. Aluminum or plastic siding over frame.
 - b. Masonry Veneer (2) - Exterior wall of combustible construction veneered with masonry materials. Rated as masonry.
 - c. Masonry (3) - Exterior walls constructed of masonry materials such as adobe, brick, concrete, concrete block, stone, tile or similar materials or non-combustible materials on non-combustible supports.
- G. Public Fire Protection
Except in areas otherwise classified, all dwellings within the corporate limits shall take the fire protection classification of the municipality. All dwellings located outside of the corporate limits of a municipality shall be considered as unprotected, unless the fire protection in the district in which the dwelling is located is specifically classified.

Supplemental Heating Device

Wood, coal, or pellet burning stoves, space heaters, fireplace inserts or any other heating device that is not centralized.

2. POLICY FORMS

Coverage will be written on the Dwelling Property - Basic Form or the Dwelling Property – Special Form contained within this filing, which will consist of:

- A. Policy form, plus,
- B. Declaration page, plus
- C. Required endorsements, if any

3. POLICY TERM

- A. Owner, Seasonal and Rental Dwelling Programs:
All premiums and rates contained in the Rate Section of this manual are annual. An Owner, Seasonal or Rental Dwelling Policy must be issued for a term of one year only.
- B. Vacant Dwelling Program:
All premiums and rates contained in the Rate Section of this manual are for either a three or six month term.

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

4. CHANGES

- A. All changes requiring adjustments of premium shall be computed pro rata.
B. If a policy is amended and results in a premium adjustment of less than \$5.00, such adjustment may be waived. If there is a decrease in coverage requested by the company, the full return premium will be refunded to the Insured.

5. TRANSFER OR ASSIGNMENT

Subject to the rules of this manual and any necessary adjustment of premium, a dwelling policy may be endorsed to effect transfer to another location within the same state; or assignment from one insured to another in the event of transfer of title of the dwelling.

6. CANCELLATION

If a policy or form of coverage is cancelled or reduced at the request of the insured or by the Company, the return premium shall be calculated pro rata of the premium, subject to any applicable minimum premiums.

7. MINIMUM WRITTEN AND EARNED PREMIUM

No policy shall be written for less than the minimum written and earned premium shown on the rate pages.

8. WHOLE DOLLAR PREMIUM

The premium shall be rounded to the nearest whole dollar separately for each coverage provided by the policy.

A premium of \$.50 or more shall be rounded up to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements and cancellations.

9. MANUAL PREMIUM REVISION

A manual premium revision, meaning any revision of premium applicable to the Dwelling Programs including changes due to reclassification of community or district, shall be made in accordance with the following procedures. The revision shall apply to any policy or endorsement with the effective date of the renewal of the policy or anniversary date of annual installment policy.

10. DEDUCTIBLES

Coverages may be subject to the application of deductibles as shown on the rate pages.

11. INSPECTION FEE (ZK)

A \$35.00 inspection fee will apply to all new business policies.

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

ELIGIBILITY AND COVERAGES

I. DP-1 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (3) Rental

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures - Increase Optional
- (3) Coverage C - Personal Property - Optional
- (4) Coverage D – Fair Rental Value (Rental Program) - Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Improvements, Alterations and Additions (Reduces Coverage C)
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value (Reduces Coverage A)
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion
- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption
- (3) Vandalism or Malicious Mischief – Optional (Owner Occupied and Rental Risks)
- (4) Terrorism (Rental Risks)

E. Optional Coverages

The policy may be written to include:

- (1) Additional Living Expense (not available on seasonal or rental)
- (2) Residence Burglary (not available on seasonal)
- (3) Windstorm and Hail Buy-Back for Antennas
- (4) Other Structures Exclusion
- (5) Fair Rental Value or Loss of Rents

F. Liability Coverages - Owner Occupied - Optional

- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
- (2) Coverage M – Medical Payments to Others
- (3) Additional Coverages
Automatically included when liability coverage is purchased.
 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

- G. Liability Coverages – Rental and Seasonal - Optional
- (1) Premises Liability
 - (2) Premises Medical Payments
 - (1) Terrorism (Rental Only)

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

II. DP-3 Program

A. Eligible Risks

- (1) Owner Occupied
- (2) Seasonal
- (2) Rental

B. Property Coverages

- (1) Coverage A – Dwelling (All Risk unless otherwise excluded)
- (2) Coverage B - Other Structures (All Risk unless otherwise excluded) - Increase Optional
- (3) Coverage C - Personal Property (Named Perils) - Optional
- (3) Coverage D – Fair Rental Value (Rental Program) – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A
- (2) Debris Removal
- (3) Improvements, Alterations and Additions
- (4) World-Wide Coverage (Reduces Coverage C)
- (5) Rental Value and Additional Living Expense
- (6) Reasonable Repairs
- (7) Property Removed
- (8) Trees, Shrubs and Other Plants
- (9) Fire Department Service Charge
- (10) Collapse
- (11) Glass or Safety Glazing Material
- (12) Vandalism & Malicious Mischief
- (13) Terrorism (Rental Program)

D. Optional Coverages

The policy may be written to include:

- (1) Residence Burglary (not available on seasonal)
- (2) Fair Rental Value or Loss of Rents
- (3) ACV Loss Settlement Endorsement
- (4) Other Structures Exclusion

E. Liability Coverages - Owner Occupied - Optional

- (1) Coverage L – Personal Liability
 - a. Animal Liability Sub-Limit - Included when Personal Liability is purchased
 - b. Animal Liability Exclusion - Optional
- (2) Coverage M – Medical Payments to Others
- (3) Additional Coverages
 - Automatically included when liability coverage is purchased.
 - a. Claim Expenses
 - b. First Aid Expenses
 - c. Damage to Property of Others

F. Liability Coverages – Rental and Seasonal - Optional

- (1) Premises Liability
- (2) Premises Medical Payments
- (3) Terrorism (Rental Only)

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

III. Vacant Program

A. Eligible Risks

- (1) Vacant/Unoccupied dwellings
- (2) Vacant/Unoccupied Manufactured housing

B. Property Coverages

- (1) Coverage A - Dwelling
- (2) Coverage B - Other Structures – Increase Optional

C. Other Coverages

Automatically included when coverage on the dwelling is provided.

- (1) Other Structures - Up to 10% of Coverage A (Reduces Coverage A)
- (2) Debris Removal
- (3) Rental Value (Reduces Coverage A)
- (4) Reasonable Repairs
- (5) Property Removed
- (6) Fire Department Service Charge

D. Perils Insured Against

- (1) Fire - Included
 - a. Fire or Lightning
 - b. Internal Explosion
- (2) Extended Coverage - Included
 - a. Windstorm or Hail
 - b. Explosion
 - c. Riot or Civil Commotion
 - d. Aircraft
 - e. Vehicles
 - f. Smoke
 - g. Volcanic Eruption
- (4) Vandalism or Malicious Mischief - Optional

E. Optional Coverages

The policy may be written to include:

- (1) Windstorm and Hail Buy-Back for Antennas
- (2) Other Structures Exclusion

F. Liability Coverages - Optional

- (1) Premises Liability
- (2) Premises Medical Payments

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<p align="center">ARKANSAS American Modern Select Insurance Company DP-1 and DP-3 PROGRAMS</p>

RATE SECTION

TERRITORY DEFINITION

Territory 60

Remainder of State

Territory 61

Benton
Carroll
Clark
Crawford
Faulkner
Garland
Hot Spring
Madison
Saline
Sebastian
Washington

Territory 62

Desha
Johnson
Lee
Miller
Mississippi
Poinsett
White
Remainder of Pulaski County
Remainder of Jefferson County

Territory 63

City of N. Little Rock
City of Little Rock
City of Pine Bluff

DEDUCTIBLES

DP-1 and DP-3 Programs (Owner Occupied, Rental Occupied and Seasonal Occupied)

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 all other perils deductible and a \$500 Wind and Hail Deductible. The deductible is applicable per home, per loss occurrence.

Vacant Dwelling Program

The rates and/or premiums shown herein for all coverages on the dwelling are subject to a \$500 all other perils deductible and a \$500 Wind and Hail Deductible. The deductible is applicable per home, per loss occurrence.

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ARKANSAS
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DP-1 and DP-3 PROGRAMS

BASE PREMIUM COMPUTATION

(Does not apply to Vacant)

1. Determine the value of the Dwelling = Dwelling limit. (round up to an even thousand)
2. Multiply the Flat Base Rate, Coverage Relativity, Territory Relativity, UVRC Relativity that corresponds to the Dwelling Limit, Protection Class Relativity and Insurance Score Relativity.
 (Base Rate * Coverage Relativity * Territory Relativity * UVRC Relativity * Protection Class Relativity * Insurance Score Relativity) = Sub Total 1 (round to the nearest penny)
3. Multiply Sub Total 1 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
 (Sub Total 1 * Total Risk Code percentage) = Hold 1 (round to the nearest penny)
4. Add Sub Total 1 and Hold 1.
 (Sub Total 1 + Hold 1) = Sub Total 2 (round to the nearest whole dollar)

*UVRC is defined as Unit Value Relativity Curve.

VACANT – BASE PREMIUM COMPUTATION

1. Determine the value of the Dwelling.
2. Round the Dwelling Limit up to the nearest hundred, and divide by 100.
 (Adjusted Dwelling Limit/100 = Sub Total 1)
3. Multiply Sub Total 1 by the Rate per \$100 of Coverage.
 (Sub Total 1 * Rate per \$100 of Coverage = Sub Total 2)
4. Multiply Sub Total 2 by the total surcharge/discount percentage, as defined by the applicable Risk Code Relativity Factors (if applies)
 (Sub Total 2 * Total Risk Code Percentage) = Hold 1 (round to the nearest penny)
5. Add Sub Total 2 and Hold 1.
 (Sub Total 2 + Hold 1) = Total (round to the nearest whole dollar)

SPECIAL PREMIUM COMPUTATION FOR OPTIONAL DEDUCTIBLE

1. Determine the applicable Deductible percentage as defined by the option chosen.
 (if the deductible credit or surcharge is a flat dollar amount, this special premium computation does not apply)
2. Multiply the Deductible percentage by Sub Total 1 (Sub Total 2 for Vacant).
 (Deductible percent * Sub Total 1 (or 2) = Coverage Premium. (round to the nearest whole dollar)

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

OWNER OCCUPIED and SEASONAL

DP-1 Program (4V1/4V3)

Fire & Extended Coverage

Frame Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V1	\$170.47	N/A	N/A	\$100.00	\$20,000	\$1,000	36	1.00	\$500
4V3	\$170.47	N/A	N/A	\$100.00	\$20,000	\$1,000	36	1.00	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	2.30	2.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1 – 479	1.94	0, 590- 709 & no hit/thin	1.00	480-509	1.75	510-539	1.50	540-559	1.40
Score	Factor	Score	Factor	Score	Factor				
560-589	1.30	710-744	0.92	745+	0.85				

Masonry Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V1	\$153.42	N/A	N/A	\$100.00	\$20,000	\$1,000	36	1.00	\$500
4V3	\$153.42	N/A	N/A	\$100.00	\$20,000	\$1,000	36	1.00	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	2.30	2.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1 – 479	1.94	0, 590- 709 & no hit/thin	1.00	480-509	1.75	510-539	1.50	540-559	1.40
Score	Factor	Score	Factor	Score	Factor				
560-589	1.30	710-744	0.92	745+	0.85				

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

RENTAL

DP-1 Program (4V2)

Fire & Extended Coverage

Frame Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V2	\$170.47	N/A	N/A	\$100.00	\$20,000	\$1,000	36	1.00	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	2.30	2.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1-569	1.15	0, 620- 649 & no hit/thin	1.00	570-599	1.10	600-619	1.05	650-689	0.90
Score	Factor	Score	Factor						
690-734	0.85	735+	0.80						

Masonry Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
4V2	\$153.42	N/A	N/A	\$100.00	\$20,000	\$1,000	36	1.00	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	2.30	2.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.50	8	1.50	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1-569	1.15	0, 620- 649 & no hit/thin	1.00	570-599	1.10	600-619	1.05	650-689	0.90
Score	Factor	Score	Factor						
690-734	0.85	735+	0.80						

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

OWNER OCCUPIED and SEASONAL

DP-3 Program (407/409)

Frame Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
407	\$180.00	N/A	N/A	\$100.00	\$50,000	\$1,000	15	1.00	\$500
409	\$180.00	N/A	N/A	\$100.00	\$50,000	\$1,000	15	1.00	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	1.25	1.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1 – 479	1.94	0, 590- 709 & no hit/thin	1.00	480-509	1.75	510-539	1.50	540-559	1.40
Score	Factor	Score	Factor	Score	Factor				
560-589	1.30	710-744	0.92	745+	0.85				

Masonry Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
407	\$162.00	N/A	N/A	\$100.00	\$50,000	\$1,000	15	1.00	\$500
409	\$162.00	N/A	N/A	\$100.00	\$50,000	\$1,000	15	1.00	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	1.25	1.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1 – 479	1.94	0, 590- 709 & no hit/thin	1.00	480-509	1.75	510-539	1.50	540 -559	1.40
Score	Factor	Score	Factor	Score	Factor				
560-589	1.30	710-744	0.92	745+	0.85				

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

RENTAL
DP-3 Program (408)
Frame Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
408	\$180.00	N/A	N/A	\$100.00	\$50,000	\$1,000	15	1.000	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	1.25	1.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1-569	1.15	0, 620- 649 & no hit/thin	1.00	570-599	1.10	600-619	1.05	650-689	0.90
Score	Factor	Score	Factor						
690-734	0.85	735+	0.80						

Masonry Construction

Product	Flat Base Rate	Covg Incr	Base Rate per Incr	Min Prem Amount	Min Rate Value	Min Val Accept	UVRC Code	Cov Relativity	Deductible
408	\$162.00	N/A	N/A	\$100.00	\$50,000	\$1,000	15	1.000	\$500

Territory Relativity Table			
60	61	62	63
1.00	.90	1.25	1.65

Protection Class Table											
Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor	Class	Factor
1-6	1.00	7	1.10	8	1.30	9	1.80	10	2.30		

Insurance Score Relativity Table									
Score	Factor	Score	Factor	Score	Factor	Score	Factor	Score	Factor
1-569	1.15	0, 620- 649 & no hit/thin	1.00	570-599	1.10	600-619	1.05	650-689	0.90
Score	Factor	Score	Factor						
690-734	0.85	735+	0.80						

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

DP-1 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

UVRC 36

Dwelling Limit	UVRC Value	Dwelling Limit	UVRC Value	Dwelling Limit	UVRC Value
20,000	1.412	65,000	4.233	109,000	7.049
21,000	1.464	66,000	4.297	110,000	7.113
22,000	1.516	67,000	4.361	111,000	7.177
23,000	1.568	68,000	4.425	112,000	7.241
24,000	1.620	69,000	4.489	113,000	7.305
25,000	1.671	70,000	4.553	114,000	7.369
26,000	1.734	71,000	4.617	115,000	7.433
27,000	1.797	72,000	4.681	116,000	7.497
28,000	1.860	73,000	4.745	117,000	7.561
29,000	1.923	74,000	4.809	118,000	7.625
30,000	1.988	75,000	4.873	119,000	7.689
31,000	2.052	76,000	4.937	120,000	7.753
32,000	2.116	77,000	5.001	121,000	7.817
33,000	2.180	78,000	5.065	122,000	7.881
34,000	2.244	79,000	5.129	123,000	7.945
35,000	2.306	80,000	5.193	124,000	8.009
36,000	2.372	81,000	5.257	125,000	8.073
37,000	2.438	82,000	5.321	126,000	8.137
38,000	2.504	83,000	5.385	127,000	8.201
39,000	2.570	84,000	5.449	128,000	8.265
40,000	2.635	85,000	5.513	129,000	8.329
41,000	2.699	86,000	5.577	130,000	8.393
42,000	2.763	87,000	5.641	131,000	8.457
43,000	2.827	88,000	5.705	132,000	8.521
44,000	2.891	89,000	5.769	133,000	8.585
45,000	2.953	90,000	5.833	134,000	8.649
46,000	3.017	91,000	5.897	135,000	8.713
47,000	3.081	92,000	5.961	136,000	8.777
48,000	3.145	93,000	6.025	137,000	8.841
49,000	3.209	94,000	6.089	138,000	8.905
50,000	3.273	95,000	6.153	139,000	8.969
51,000	3.337	96,000	6.217	140,000	9.033
52,000	3.401	97,000	6.281	141,000	9.097
53,000	3.465	98,000	6.345	142,000	9.161
54,000	3.529	99,000	6.409	143,000	9.225
55,000	3.593	100,000	6.473	144,000	9.289
56,000	3.657	101,000	6.537	145,000	9.353
57,000	3.721	102,000	6.601	146,000	9.417
58,000	3.785	103,000	6.665	147,000	9.481
59,000	3.849	104,000	6.729	148,000	9.545
60,000	3.913	105,000	6.793	149,000	9.609
61,000	3.977	106,000	6.857	150,000	9.673
62,000	4.041	107,000	6.921	greater than factor .064	
63,000	4.105	108,000	6.985		
64,000	4.169				

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

DP-3 UVRC RELATIVITY TABLE

For Dwellings valued in excess of the maximum Dwelling Limit indicated, add the Greater Than Factor for each additional \$1,000 to the maximum relativity listed in each table.

UVRC 15

Dwelling Limit	UVRC Value	Dwelling Limit	UVRC Value	Dwelling Limit	UVRC Value
50,000	3.359	84,000	5.059	117,000	6.709
51,000	3.409	85,000	5.109	118,000	6.759
52,000	3.459	86,000	5.159	119,000	6.809
53,000	3.509	87,000	5.209	120,000	6.859
54,000	3.559	88,000	5.259	121,000	6.909
55,000	3.609	89,000	5.309	122,000	6.959
56,000	3.659	90,000	5.359	123,000	7.009
57,000	3.709	91,000	5.409	124,000	7.059
58,000	3.759	92,000	5.459	125,000	7.109
59,000	3.809	93,000	5.509	126,000	7.159
60,000	3.859	94,000	5.559	127,000	7.209
61,000	3.909	95,000	5.609	128,000	7.259
62,000	3.959	96,000	5.659	129,000	7.309
63,000	4.009	97,000	5.709	130,000	7.359
64,000	4.059	98,000	5.759	131,000	7.409
65,000	4.109	99,000	5.809	132,000	7.459
66,000	4.159	100,000	5.859	133,000	7.509
67,000	4.209	101,000	5.909	134,000	7.559
68,000	4.259	102,000	5.959	135,000	7.609
69,000	4.309	103,000	6.009	136,000	7.659
70,000	4.359	104,000	6.059	137,000	7.709
71,000	4.409	105,000	6.109	138,000	7.759
72,000	4.459	106,000	6.159	139,000	7.809
73,000	4.509	107,000	6.209	140,000	7.859
74,000	4.559	108,000	6.259	141,000	7.909
75,000	4.609	109,000	6.309	142,000	7.959
76,000	4.659	110,000	6.359	143,000	8.009
77,000	4.709	111,000	6.409	144,000	8.059
78,000	4.759	112,000	6.459	145,000	8.109
79,000	4.809	113,000	6.509	146,000	8.159
80,000	4.859	114,000	6.559	147,000	8.209
81,000	4.909	115,000	6.609	148,000	8.259
82,000	4.959	116,000	6.659	149,000	8.309
83,000	5.009			150,000	8.359

greater than factor .050

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

VACANT DWELLING Program (324/325/334/335/354/355)

Fire and Extended Coverage

Construction Types -- Frame and Masonry

3 Month Rate (324/325) / 6 Month Rate (334/335)

Premium is pro-rated in the 3 and 6 Month Vacant Program.

12 Month Rate (354/355)

Rates are per \$100 of coverage or any part thereof.

All Territories

Protection Class:	<u>1 – 8</u>	<u>9 -- 10</u>
Rate:	\$1.60	\$2.40

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

LIABILITY SECTION

1. Personal Liability - Basic Premiums

(a) Limit of Liability - - optional

MEDICAL PAYMENTS	\$500 EACH PERSON/\$25,000 EACH OCCURRENCE
PROPERTY OF OTHERS	\$500 EACH OCCURRENCE
ANIMAL LIABILITY	\$10,000

(b) Premium - To include Personal Liability coverage on Owner Occupied dwellings, add the following premium: (K3)

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

2. Premises Liability - Dwellings Rented to Others, Seasonal and Vacant Dwellings (L2)

To provide coverage for Premises Liability, the following premiums apply:

(a) Dwelling Premises Liability

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$300,000</u>
\$35.00	\$50.00	\$70.00	\$85.00	\$100.00

The premiums include premises medical payments of \$500 each person, \$25,000 each occurrence. Premium is pro-rated in the 3 and 6 Month Vacant Program.

3. Medical Payments – Personal Liability and Premises Liability (BA)

To increase the Medical Payments coverage, add the following additional premium:

<u>Medical Payments</u>	<u>Rate</u>
\$1,000/\$25,000	\$5.00

4. Animal Liability Exclusion (LE)

The policy may be endorsed to remove coverage for bodily injury or property damage caused by any animal owned by, or in care or custody of any insured person. Not available on policies without Personal Liability Coverage.

Rate: \$3.00 credit per home, per year.

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

MISCELLANEOUS SURCHARGES AND SUPPLEMENTAL COVERAGES

1. Miscellaneous Surcharges (Applicable to Coverage A only)

A. Multiple Family Surcharge

For dwellings containing multiple families, the following surcharge applies. Does not apply to the Vacant Program.

Number of Families	Risk Code	Surcharge
1	27	Base
2	28	Base
3	29	1.50
4	43	1.50

2. Supplemental Coverages

A. Additional Living Expense (46)

To provide Additional Living Expense for owner occupied dwellings in the DP-1 Program, not to exceed 20% of Coverage A.

Rate: \$5.00 per \$1,000 of coverage

B. Optional Deductible

The deductible may be changed by applying the following credit or surcharge to Coverage A, B, and C base premiums, prior to all other surcharges and discounts: For 3- and 6- month policies, the credit will be pro-rated and applied to each policy term. The change in deductible does not apply to the \$500 deductible for Vandalism and Malicious Mischief.

Wind & Hail Deductible Options* (WH)

Dwelling 1 & 3 Programs		3,6 and 12 Month Vacant Program	
<u>Deductible</u>	<u>Credit</u>	<u>Deductible</u>	<u>Credit</u>
\$1,000	5%	\$1,000	5%

All Other Peril Deductible* (H8)

	Dwelling 1 & 3 Programs		3,6 and 12 Month Vacant Program	
	<u>Deductible</u>	<u>Premium</u>	<u>Deductible</u>	<u>Premium</u>
<u>Premium</u>	\$500	Included	\$500	Included
	\$1,000	(5%)	\$1,000	(5%)
	\$2,500	(10%)		
	\$5,000	(15%)		

*Wind and Hail Deductible can not be lower than the All Other Perils Deductible. Credit will only be applied if the All Other Peril deductible less than \$1,000.

*If the All Perils and Wind and Hail Deductible differ, the larger deductible will apply to the Wind and Hail.

C. Dwelling Property Basic Form Windstorm and Hail Buy-Back for Antennas (PK)

Rate: \$5.00

Premium is pro-rated for the Vacant Program.

D. Other Structures (A1)

To provide coverage for Other Structures, add the following additional premium. Coverage. Not available if "Dwelling Property Other Structures Exclusion" Endorsement is attached to the policy.

For each additional \$1,000, add: \$ 5.00

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

Premium is pro-rated for the Vacant Program.

E. Other Structures Exclusion (AZ)

To remove coverage for Other Structures located at the insured location, subtract the following:

Rate: \$3.00 credit per home, per year.

Premium is pro-rated for the Vacant Program.

F. Residence Burglary (B1)

To provide coverage for residence burglary on owner occupied or rental residences, add the following additional premium:

Rate: \$30.00 per \$1,000

G. Supplemental Heating Device (H2)

For dwellings equipped with a Supplemental Heating Device, the following surcharge applies:

Rate: \$50.00

H. Vandalism or Malicious Mischief (B2)

To provide coverage on owner occupied or rental residences in the DP-1 Program or Vacant Dwelling Program, add the following additional premium.

Rate: \$.70 per \$1,000

A \$500 deductible will apply.

Premium is pro-rated for the Vacant Program.

I. Personal Property (product codes 7M1/7M2/7M3 for DP-1, 7O7/7O8/7O9 for DP-3)

To provide Personal Property Coverage for Owner, Rental and Seasonal residences, add the following rate per \$1,000 of coverage:

Rate: \$5.00 per \$1,000 of coverage

Minimum Value: \$1,000

J. Fair Rental Value or Loss of Rents (49)

To provide coverage for Fair Rental Value or Loss of Rents on Owner, Seasonal or Rental residences add the following additional premium.

Rate: \$7.00 per \$1,000

K. Protective Device Credits

For protective devices present on the dwelling premises, the following credit will apply to Coverage A premium not to exceed 10%.

For Central Station Fire and Smoke (72) or Burglar Alarm (73), apply a 5% credit (10% for both)

For Remote Station Fire and Smoke (E4) or Burglar Alarm (E5), apply a 2% credit (4% for both); and

For Dead Bolts, Smoke Alarm **and** Fire Extinguisher (D6), apply a 5% credit.

3. Minimum Written and Earned Premium

A. Owner Occupied, Seasonal, Rental and Vacant Dwellings

Minimum Written and Earned Premium: \$100.00

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ARKANSAS
American Modern Select Insurance Company
DP-1 and DP-3 PROGRAMS

FORM SECTION

POLICY AND DECLARATION PAGE

<u>Form Number</u>	<u>Title</u>
S2001 (07/88)	Dwelling Property – Basic Form (DP-1)
S2002 (07/88)	Dwelling Property – Special Form (DP-3)
0110-4269 (5/92)	Declaration Page
EQ DECLN 03 (03/00)	Application Supplement – Declination of Residential Earthquake Coverage

OPTIONAL AND MANDATORY ENDORSEMENTS BY PROGRAM

Owner Occupied Dwelling
Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
72677 (02/06)	Additional Living Expense (DP-1 only)
73182 (05/99)	Animal Liability Exclusion
DF001 (05/06)	Residence Burglary
SDA00 (09/00)	Dwelling Property Basic Form DP-1 7/88 Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SD800 (10/02)	Dwelling Property Other Structures Exclusion (DP-1 only)
SDO00 (04/05)	Dwelling Property Special Form Actual Cash Value Loss Settlement Endorsement (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (09/01)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Dwelling Property Basic Form Criminal Acts Exclusion (DP-1)

Seasonal Dwelling
Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
73182 (05/99)	Animal Liability Exclusion
SDA00 (09/00)	Dwelling Property Basic Form DP-1 7/88 Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SD800 (10/02)	Dwelling Property Other Structures Exclusion (DP-1 only)
SDO00 (04/05)	Dwelling Property Special Form Actual Cash Value Loss Settlement Endorsement (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (05/06)	Construction Cost Index Endorsement (DP-3 only)
72539 (09/01)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Dwelling Property Basic Form Criminal Acts Exclusion (DP-1)

Mandatory When Personal Liability is Purchased (available on Owner Occupied Dwellings)

S2005 (07/88)	Comprehensive Personal Liability Policy
SDP03 (11/01)	Personal Liability Total Pollution Exclusion - Arkansas
73183 (05/06)	Special Limit for Animal Liability
73184 (05/99)	Business, Commercial or Farming Enterprise Exclusion
73185 (05/99)	Home Day Care Exclusion
73186 (03/00)	Personal Liability Lead Contamination Exclusion
DLB00 (02/00)	Assault and Battery Exclusion
DLE00 (03/00)	Punitive or Exemplary Damages Exclusion

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-1	12/01/2007	09/24/2007

<p style="text-align: center;">ARKANSAS American Modern Select Insurance Company DP-1 and DP-3 PROGRAMS</p>
--

SLM00 (06/02) Personal Liability Mold Exclusions

Rental Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
71487 (01/03)	Vandalism and Malicious Mischief Exclusion (DP-1 only)
DF001 (03/91)	Residence Burglary
SDA00 (09/00)	Dwelling Property Basic Form DP-1 7/88 Windstorm and Hail Buy-Back for Antennas (DP-1 only)
SD800 (10/02)	Dwelling Property Other Structures Exclusion (DP-1 only)
SDO00 (04/05)	Dwelling Property Special Form Actual Cash Value Loss Settlement Endorsement (DP-3 only)

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71908 (04/98)	Construction Cost Index Endorsement (DP-3 only)
72539 (09/01)	Log Building Endorsement (DP-3 only)
73339 (07/02)	Condemnation Endorsement
DF003 (05/06)	Reduction in Coverage when Vacant or Unoccupied
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Dwelling Property Basic Form Criminal Acts Exclusion (DP-1)
SDY03 (01/06)	Dwelling Property Cap on Losses from Certified Acts of Terrorism – Arkansas

Vacant Dwelling

Optional Endorsements

70399 (03/85)	Notice of Cancellation or Non Renewal
SDA00 (09/00)	Dwelling Property Basic Form DP-1 7/88 Windstorm and Hail Buy-Back for Antennas
SD800 (10/02)	Dwelling Property Other Structures Exclusion

Mandatory Endorsements

71428 (01/06)	Arkansas Act 197 of 1987
71682 (06/07)	Special Provisions – Arkansas
71884 (05/06)	Permitted Vacancy Clause
73339 (07/02)	Condemnation Endorsement
EQN03 (03/00)	Notice to Policyholders
SDC00 (03/03)	Dwelling Property Basic Form Criminal Acts Exclusion (DP-1)

Mandatory when Premises Liability is Purchased (available on the Rental, Seasonal and Vacant Dwellings)

PL003 (01/06)	Premises Liability Insurance - Arkansas
73253 (03/00)	Premises Liability Lead Poisoning Exclusion
PLM00 (04/02)	Premises Liability Mold Exclusions
PLY03 (01/06)	Premises Liability Cap on Losses from Certified Acts of Terrorism (Rental Only) - Arkansas

NEW PAGE		PAGE NUMBER	EFFECTIVE DATE	PUBLICATION DATE
REVISION	X	F-2	12/01/2007	09/24/2007

SERFF Tracking Number:	AMMH-125312921	State:	Arkansas
Filing Company:	American Modern Select Insurance Company	State Tracking Number:	AR-PC-07-026314
Company Tracking Number:	20071003-03		
TOI:	04.0 Homeowners	Sub-TOI:	04.0005 Other Homeowners
Product Name:	085 AR DP1,DP3 & Vacant		
Project Name/Number:	AR DP1,DP3 & Vacant RATE/20071003-03		

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document-Property & Casualty	Review Status:	Filed	10/24/2007
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Comments:

Attachment:

RATE - F777AR_021307[1].pdf

Satisfied -Name:	Actuary Indications	Review Status:	Filed	10/24/2007
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Comments:

Attachments:

Actuary IndicationsDP1_85_AR_1Q07.pdf

Act Ind - 2- DP3_85_AR_1Q07.pdf

Satisfied -Name:	Transmittal	Review Status:	Filed	10/24/2007
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Comments:

Attachment:

Arkansas 085 DP1 Transmittal.pdf

Satisfied -Name:	Response Cover Letter	Review Status:	Filed	10/24/2007
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Comments:

Attachments:

Rate Obj Response.pdf

Act. Response.pdf

F779AR_021307[1].pdf

Ins Score - Actuary Response.pdf

RATE - Cover LetterAR.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
g. SERFF Filing #:		
h. Subject Codes		

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Modern Select Insurance Company	OH	38652	38-2342976	

5. Company Tracking Number	20071003-03
-----------------------------------	-------------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Krista N. Mahaffey	Compliance Analyst	1-800-543-2644, ext. 5953	513-947-4695	KMahaffey@amig.com

7. Signature of authorized filer	<i>Krista N. Mahaffey</i>
8. Please print name of authorized filer	Krista N. Mahaffey

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	Homeowners
10. Sub-Type of Insurance (Sub-TOI)	DP1/DP3/Vacant
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Arkansas DP1/DP3/Vacant Program
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input checked="" type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 12/01/2007 Renewal: 12/01/2007
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	

19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved
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Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #	20071003-03
--	-------------

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
--

Please see cover letter for filing description.

22. Filing Fees (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
<p>Check #: Check is pending in our Accounting Dept, will update once check is obtained. Amount: \$100.00</p> <p>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication
State: Arkansas

Exhibit 1
Page 2

Complement of Credibility Calculation

(1) Permissible Loss+LAE Ratio (Exhibit 9)	0.481
(2) Hurricane Load (capped at)	0.000
(3) Non-Hurricane Permissible	0.481
(4) Proposed Renewal Effective Date	12/1/2007
(5) Effective Date of Current Rates	1/0/1900
(6) Time Period in Years {(2) - (3)}/365 (Capped at 2 years)	2.00
(7) Ann Prem Trend (Exh 1, Page 1, Column 4 Annualized)	0.0%
(8) Ann Loss Trend (Exhibit 6)	6.7%
(9) Ann Loss Ratio Trend {[1 + (6)] / [1 + (5)]} - 1	6.7%
(10) Selected Trend Factor (minimum = 1.000)	1.138
(11) Trended Permissible Loss+LAE Ratio (1) x (8)	0.547

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication

Exhibit 2

Program: DP-1

State: Arkansas

SOB: All Channels

Prop Eff. Date: 12/01/07

	(1)	(2)	(3)	(4)	(5)	(6)		
			Curr Level		Trended			
		Rate	Earned	Premium	Current Level			
Accident	Earned	Level Adj	Premium	Trend	Earned	Earned		
Year	Premium	Factor	(1)x(2)	Factor	Premium	Exposures		
					(3)x(4)			
3/31/03	0	1.000	0	1.000	0	0		
3/31/04	0	1.000	0	1.000	0	0		
3/31/05	0	1.000	0	1.000	0	0		
3/31/06	0	1.000	0	1.000	0	0		
3/31/07	81,580	1.000	81,580	1.000	81,580	141		
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
				Cat Adjusted				
				Incurred	Loss+ALAE	Incurred		
Accident	Incurred	Catastrophe	Catastrophe	Loss+ALAE	Trend	Loss+ALAE	ULAE	
Year	Loss+ALAE	Loss+ALAE	Factor	{{(7)-(8)}x(9)}	Factor	Development	Factor	
3/31/03	0	0	1.141	0	1.324	1.000	1.042	
3/31/04	0	0	1.141	0	1.289	1.002	1.042	
3/31/05	0	0	1.141	0	1.191	0.999	1.042	
3/31/06	0	0	1.141	0	1.103	0.993	1.042	
3/31/07	58,615	0	1.141	66,879	1.041	1.030	1.042	
	(14)		(15)	(16)	(17)			
	Trended							
	Adjusted		Adjusted	Accident	Reported			
Accident	Incurred		Loss+LAE	Year	Claim			
Year	Loss+LAE		Ratio	Weight	Counts			
	Prod{(10):(13)}		(14)/(5)					
3/31/03	0		0.000	0.00	0			
3/31/04	0		0.000	0.00	0			
3/31/05	0		0.000	0.00	0			
3/31/06	0		0.000	0.00	0			
3/31/07	74,746		0.916	1.00	4			

Weighted Experience Loss+LAE Ratio: **0.916**

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Rate Change History and Rate Level Adjustment Factors

Rate Changes by Program	
Renewal Effective Date	DP-1
None	0.00%

Rate Level Adjustment Factors	
Acc Yr Ending	DP-1
3/31/03	1.000
3/31/04	1.000
3/31/05	1.000
3/31/06	1.000
3/31/07	1.000

American Modern Select Insurance Company

Exhibit 4

State: Arkansas

Product: SITE BUILT DWELLING

SOB: All Channels

Calculation of Premium Trend Factors

Program: DP-1

Value Group	Earned Exposures for Year Ending:					Relativity	Average Relativities for Year Ending:				
	3/31/03	3/31/04	3/31/05	3/31/06	3/31/07		3/31/03	3/31/04	3/31/05	3/31/06	3/31/07
6,000	0.00	0.00	0.00	0.00	0.00	0.766	0.00	0.00	0.00	0.00	0.00
12,000	0.00	0.00	0.00	0.00	1.82	0.867	0.00	0.00	0.00	0.00	0.01
18,000	0.00	0.00	0.00	0.00	15.54	0.967	0.00	0.00	0.00	0.00	0.11
24,000	0.00	0.00	0.00	0.00	14.91	1.147	0.00	0.00	0.00	0.00	0.12
30,000	0.00	0.00	0.00	0.00	24.61	1.408	0.00	0.00	0.00	0.00	0.25
36,000	0.00	0.00	0.00	0.00	17.05	1.680	0.00	0.00	0.00	0.00	0.20
42,000	0.00	0.00	0.00	0.00	25.72	1.957	0.00	0.00	0.00	0.00	0.36
48,000	0.00	0.00	0.00	0.00	15.85	2.227	0.00	0.00	0.00	0.00	0.25
54,000	0.00	0.00	0.00	0.00	2.25	2.499	0.00	0.00	0.00	0.00	0.04
60,000	0.00	0.00	0.00	0.00	5.25	2.771	0.00	0.00	0.00	0.00	0.10
66,000	0.00	0.00	0.00	0.00	1.91	3.043	0.00	0.00	0.00	0.00	0.04
72,000	0.00	0.00	0.00	0.00	5.35	3.315	0.00	0.00	0.00	0.00	0.13
78,000	0.00	0.00	0.00	0.00	2.48	3.587	0.00	0.00	0.00	0.00	0.06
84,000	0.00	0.00	0.00	0.00	1.82	3.859	0.00	0.00	0.00	0.00	0.05
90,000	0.00	0.00	0.00	0.00	1.31	4.131	0.00	0.00	0.00	0.00	0.04
96,000	0.00	0.00	0.00	0.00	0.27	4.403	0.00	0.00	0.00	0.00	0.01
102,000	0.00	0.00	0.00	0.00	0.29	4.675	0.00	0.00	0.00	0.00	0.01
108,000	0.00	0.00	0.00	0.00	0.00	4.947	0.00	0.00	0.00	0.00	0.00
114,000	0.00	0.00	0.00	0.00	0.63	5.219	0.00	0.00	0.00	0.00	0.02
120,000	0.00	0.00	0.00	0.00	2.02	5.491	0.00	0.00	0.00	0.00	0.08
126,000	0.00	0.00	0.00	0.00	0.13	5.763	0.00	0.00	0.00	0.00	0.01
132,000	0.00	0.00	0.00	0.00	0.00	6.035	0.00	0.00	0.00	0.00	0.00
138,000	0.00	0.00	0.00	0.00	0.71	6.307	0.00	0.00	0.00	0.00	0.03
144,000	0.00	0.00	0.00	0.00	0.00	6.579	0.00	0.00	0.00	0.00	0.00
150,000	0.00	0.00	0.00	0.00	1.38	6.851	0.00	0.00	0.00	0.00	0.07
Total	0	0	0	0	141		0.000	0.000	0.000	0.000	1.976

Acc Year	Average Earned Relativity	Current Amount Factor	Fitted Exponential Curve #	Premium Trend Factor *
3/31/03	0.000	1.000	N/A	1.000
3/31/04	0.000	1.000	N/A	1.000
3/31/05	0.000	1.000	N/A	1.000
3/31/06	0.000	1.000	N/A	1.000
3/31/07	1.976	1.000	#NUM!	1.000

Annual Rate of Change: 0.0%

Trend Period Begins: 3/30/2006

Trend Period Ends: 5/31/2008

Projection Period (Years): 2.17

Premium Projection Factor: 1.000

* Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor

4 Point Fit

American Modern Insurance Group

(Using American Modern Insurance Group Data)

Dwelling Average Catastrophe Factor

ALL Dwelling Programs

Arkansas

Accident Year Ending	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)
12/31/1990	36,507	451,080	414,573	0.088
12/31/1991	28,758	324,344	295,586	0.097
12/31/1992	27,609	196,566	168,957	0.163
12/31/1993	1,067	293,493	292,426	0.004
12/31/1994	7,486	361,522	354,036	0.021
12/31/1995	15,965	263,202	247,237	0.065
12/31/1996	75,061	408,515	333,454	0.225
12/31/1997	98,119	286,510	188,390	0.521
12/31/1998	25,740	291,298	265,558	0.097
12/31/1999	249,611	421,403	171,791	1.453
12/31/2000	2,521	289,183	286,662	0.009
12/31/2001	11,377	44,503	33,126	0.343
12/31/2002	3,085	193,001	189,916	0.016
12/31/2003	9,670	726,333	716,664	0.013
12/31/2004	45,640	523,993	478,353	0.095
12/31/2005	11,814	417,690	405,875	0.029
12/31/2006	54,822	206,018	151,196	0.363

Wtd. Average: 0.141

Selected Catastrophe Factor: 1.141

American Modern Insurance Group Frequency, Severity and Pure Premium Trends

Arkansas SITE BUILT DWELLING DP-1

Arkansas Consolidated AMIG DWELLING FIRE DP-1 Program Data
Renewal Business, All Causes of Loss Excluding Catastrophe

Accident Period 12 Mo End Year-Qtr	Ultimate			Severity:		Frequency:		Pure Prem:	
	Reported	Ultimate	Earned	Average	Expo-	Ultimate	Expo-	Ult Inc'd	Expo-
	Claim	Incurred		Ultimate	nential	Claim Cnts	nential		
	Counts	Loss+LAE	Exposures	Incurred	Fit	Per 100 EE	Fit	per EE	Fit
2002-1	25	65,448	452	2,618	4,196	5.53	5.01	144.9	210.1
2002-2	26	66,161	480	2,545	4,125	5.42	5.01	137.9	206.5
2002-3	21	59,872	504	2,851	4,055	4.17	5.00	118.8	202.9
2002-4	26	139,697	518	5,373	3,986	5.02	5.00	269.5	199.4
2003-1	25	120,494	525	4,820	3,919	4.76	5.00	229.4	196.0
2003-2	26	184,746	538	7,106	3,852	4.83	5.00	343.3	192.6
2003-3	41	249,797	590	6,093	3,787	6.95	5.00	423.6	189.2
2003-4	36	170,388	675	4,733	3,722	5.34	5.00	252.6	186.0
2004-1	38	145,737	778	3,835	3,659	4.88	4.99	187.3	182.8
2004-2	45	133,440	891	2,964	3,597	5.05	4.99	149.8	179.6
2004-3	36	80,966	1,001	2,247	3,536	3.60	4.99	80.9	176.5
2004-4	47	173,258	1,106	3,682	3,476	4.25	4.99	156.7	173.4
2005-1	61	180,087	1,202	2,947	3,417	5.08	4.99	149.8	170.4
2005-2	62	236,809	1,288	3,809	3,359	4.83	4.99	183.9	167.5
2005-3	68	323,752	1,351	4,741	3,302	5.05	4.98	239.6	164.6
2005-4	67	278,734	1,369	4,136	3,246	4.92	4.98	203.6	161.8
2006-1	67	299,705	1,371	4,504	3,191	4.85	4.98	218.7	159.0
2006-2	77	240,329	1,349	3,119	3,137	5.71	4.98	178.1	156.2
2006-3	69	150,580	1,308	2,173	3,084	5.30	4.98	115.1	153.5
2006-4	65	112,869	1,273	1,742	3,032	5.09	4.98	88.7	150.9

Fitted Annual Trend (20 Point)	-6.6%	-0.1%	-6.7%
--------------------------------	-------	-------	-------

Selected Annual Pure Premium Trend: -6.7%

Accident Year Ending	Trend Period			Trend Factor
	Beginning	End	Time(Yrs)	
3/31/2003	9/30/2002	11/30/2008	6.169	0.650
3/31/2004	9/30/2003	11/30/2008	5.170	0.697
3/31/2005	9/30/2004	11/30/2008	4.168	0.748
3/31/2006	9/30/2005	11/30/2008	3.168	0.802
3/31/2007	9/30/2006	11/30/2008	2.169	0.860

Exhibit 7
Page 1

[illegible][illegible]

American Modern Select Insurance Company
Incurred Loss & ALAE Development Factors
Arkansas SITE BUILT DWELLING
Countrywide Consolidated AMIG Data

Exhibit 7

Page 2

Indicated Incurred Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to Ult
Wtd Averages																			
All Qtrs	1.050	1.006	1.002	1.018	1.001	0.999	1.002	0.995	1.003	0.998	0.997	0.999	0.999	0.999	1.002	0.997	1.004	1.000	1.000
4 Point	1.048	1.000	0.994	1.038	0.998	0.994	1.007	1.001	1.001	0.999	1.000	1.000	0.997	0.999	1.003	0.997			
8 Point	1.025	1.003	1.002	1.023	0.995	0.997	1.005	0.996	1.004	0.999	0.996	0.999							
12 Point	1.023	0.999	0.998	1.019	0.999	0.999	1.003	0.995											
Avg (4,8)	1.036	1.001	0.998	1.030	0.997	0.995	1.006	0.998	1.003	0.999	0.998	0.999							
Arithmetic Averages																			
All Qtrs	1.054	1.002	1.004	1.018	1.000	0.998	1.002	0.995	1.003	0.998	0.997	0.998	0.998	0.999	1.003	0.997	1.004	1.000	1.000
4 Point	1.046	1.005	1.002	1.042	0.998	0.990	1.006	1.000	1.001	1.000	1.001	0.999	0.997	0.999	1.003	0.997			
8 Point	1.032	0.997	1.009	1.023	0.994	0.996	1.005	0.996	1.004	0.999	0.997	0.998							
12 Point	1.028	0.995	1.002	1.020	0.998	0.998	1.003	0.995											
8 Pt H/L	1.030	0.995	1.010	1.022	0.996	0.997	1.004	0.994	1.001	0.998	0.998	0.998							
12 Pt H/L	1.025	0.993	1.002	1.018	0.998	0.999	1.002	0.994											
Geometric Averages																			
All Qtrs	1.053	1.002	1.004	1.018	1.000	0.998	1.002	0.995	1.003	0.998	0.997	0.998	0.998	0.999	1.003	0.997	1.004	1.000	1.000
4 Point	1.045	1.004	1.002	1.042	0.998	0.990	1.006	1.000	1.001	1.000	1.001	0.999	0.997	0.999	1.003	0.997			
8 Point	1.031	0.996	1.008	1.023	0.994	0.996	1.005	0.996	1.004	0.999	0.997	0.998							
12 Point	1.026	0.994	1.002	1.020	0.998	0.998	1.003	0.995											

Selected Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to Ult
Age-to-Age Factors	1.042	0.980	1.028	1.022	0.999	0.993	1.001	0.996	1.000	0.999	1.002	0.996	1.000	1.001	1.000	1.000	1.002	1.000	1.000	1.000
7614932.585																				
	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult
Quarterly Age-to-Ult Factors	1.059	1.017	1.037	1.009	0.988	0.989	0.996	0.995	0.999	0.999	1.000	0.998	1.002	1.002	1.001	1.002	1.002	1.000	1.000	1.000
	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult			
Wtd Annual Age-to-Ult Factors	1.030	1.012	1.005	0.996	0.993	0.995	0.997	0.998	0.999	0.999	1.000	1.001	1.002	1.002	1.001	1.001	1.000			

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2006	2005	2004
ULAE Incurred	15,194,970	13,597,575	14,164,401
Adjusted Loss+ALAE Incu	286,958,949	449,443,085	330,745,172
Ratio to Incurred Loss+AL	5.3%	3.0%	4.3%
3 Year Average	4.2%		

Selected ULAE Factor: **1.042**

American Modern Select Insurance Company
Exhibit 9

State: Arkansas

Product: SB / DP-1

Determination of Permissible Loss Ratio

		Calendar Year			Budget	
		2004	2005	2006	2007	Selected
(1)	Pre-Paid Commissions	N/A	N/A	18.4%		18.4%
(1a)	Contingent Commissions	0.0%	0.2%	1.3%	4.9%	4.9%
(2)	Other Acquisition Expense (Consolidated AMIG)	3.8%	4.9%	5.1%	5.6%	5.4%
(3)	General Expense (Consolidated AMIG)	11.4%	13.0%	12.9%	13.2%	13.0%
(4)	Taxes, Licenses and Fees	N/A	N/A	2.8%		2.8%
(6)	Reinsurance Expense (Consolidated AMIG)			0.6%	0.8%	0.8%
(7)	Total Expense					45.4%
Profit Loading Provision						
(8a)	After Tax Return on Equity Goal			16.5%		
(8b)	Target Premium to Surplus Ratio			2.3:1		
(8c)	After Tax Return on Premium [(8a)/(8b)]			7.2%		
(8d)	After Tax Return Generated by Investment Income (Exhibit 10, Page 1)			2.9%		
(8e)	After Tax Return Needed from Underwriting Profit [(8c)-(8d)]			4.3%		
(8f)	Before Tax Return Needed from Underwriting Profit [(8e)/(1.000-0.35)]			6.6%		
(8)	Selected Profit Loading Provision					6.6%
(9)	Total Expenses and Profit Provision [(7) + (8)]					51.9%
(10)	Permissible Loss+LAE Ratio [1.000 - (9)]					48.1%

Data applied to calculate commission ratio:

AMSArkansas SB / DP-1 Written Premium

AMSArkansas SB / DP-1 Paid Commission

Calendar Year		
2004	2005	2006
0	0	233,160
0	0	42,786
Calendar Year		

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve

(1) Direct Earned Premium for 2006	\$157,362,467
(2) Mean Unearned Premium Reserve Ratio	46.9%
(3) Mean Unearned Premium Reserve (1) x (2)	\$73,825,981
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	23.3%
(b) 50% of Other Acquisition	2.7%
(c) 50% of General Expenses	6.5%
(d) Taxes, Licenses, and Fees	2.8%
(e) Reinsurance Expense	0.8%
(f) Subtotal	36.0%
(g) Federal Taxes Payable	7.0%
(4T) Total Deductions	43.0%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$42,061,234

B. Delayed Remission of Premium (Agent's Balances)

(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$124,288,418
(b) Direct Unearned Premium 2006 (All Lines)	\$394,423,161
(c) Ratio (a) / (b)	31.5%
(d) Direct Unearned Premium 2006 (ASLOB 1 & 2.1 Fire and Allied Lines)	\$81,353,142
(2) Delayed Remission (1c) x (1d)	\$25,635,546

C. Loss and Loss Adjustment Expense Reserve

(1) Expected Loss and Loss Adjustment Expense Ratio	48.1%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$75,615,918
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2006 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	54.9%
(b) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	36.6%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	45.8%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$33,158,199

D. Net Subject to Investment

(A.5) - (B.2) + (C.4) \$49,583,886

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)] 5.0%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1)] 1.6%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)] 3.7%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	22.3%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	2.9%
3 H.2 Adjusted for Assumed Data	0.03011418

American Modern Select Insurance Company
Investment Income and Other Income
ASLOB 1 & 2.1 Fire and Allied Lines
Countrywide Consolidated AMIG Data

Exhibit 10
Page 2

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2004-2006 (A)	(2) Allocation	(3) Current Tax Rate (B)	(4) Total Tax (2)x(3)
Bonds				
- Taxable	53,722,932	0.487	0.350	0.170
- Tax Exempt Municipal	35,250,174	0.319	0.053	0.017
Stocks				
- Acquired prior to 1987	0	0.000	0.105	0.000
- Acquired after 1987	\$17,021,019	15.4%	14.2%	2.2%
Short-Term Investments	4,348,938	0.039	0.350	0.014
Total	110,343,063	1.000		0.223

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2007 will be:

Ordinary Income =	0.35
Tax Exempt Municipal - 35.0% x 15.0% =	0.0525
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	0.14175
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	0.105

Investment Income as a Percentage of Invested Assets

1995	5.5%
1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%

Twelve Year Average	4.8%
Latest Six Year Average	4.7%
Latest Year	4.5%
Projected 2007 (12 Year Trend)	4.4%
Projected 2007 (6 Year Trend)	4.1%

Selected 2007 Rate of Return

Before Tax	5.0%
After Tax [(1-0.223) x 5%]	3.9%

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication
State: Arkansas

Exhibit 1
Page 2

Complement of Credibility Calculation

(1) Permissible Loss+LAE Ratio (Exhibit 9)	0.487
(2) Hurricane Load (capped at)	0.000
(3) Non-Hurricane Permissible	0.487
(4) Proposed Renewal Effective Date	12/1/2007
(5) Effective Date of Current Rates	1/0/1900
(6) Time Period in Years {(2) - (3)}/365 (Capped at 2 years)	2.00
(7) Ann Prem Trend (Exh 1, Page 1, Column 4 Annualized)	0.0%
(8) Ann Loss Trend (Exhibit 6)	6.7%
(9) Ann Loss Ratio Trend {[1 + (6)] / [1 + (5)]} - 1	6.7%
(10) Selected Trend Factor (minimum = 1.000)	1.138
(11) Trended Permissible Loss+LAE Ratio (1) x (8)	0.554

American Modern Select Insurance Company
SITE BUILT DWELLING Rate Level Indication

Exhibit 2

Program: DP-3

State: Arkansas

SOB: All Channels

Prop Eff. Date: 12/01/07

	(1)	(2)	(3)	(4)	(5)	(6)		
			Curr Level		Trended			
		Rate	Earned	Premium	Current Level			
Accident	Earned	Level Adj	Premium	Trend	Earned	Earned		
Year	Premium	Factor	(1)x(2)	Factor	Premium	Exposures		
					(3)x(4)			
3/31/03	0	1.000	0	1.000	0	0		
3/31/04	0	1.000	0	1.000	0	0		
3/31/05	0	1.000	0	1.000	0	0		
3/31/06	0	1.000	0	1.000	0	0		
3/31/07	46,096	1.000	46,096	1.000	46,096	44		
	(7)	(8)	(9)	(10)	(11)	(12)	(13)	
				Cat Adjusted				
				Incurred	Loss+ALAE	Incurred		
Accident	Incurred	Catastrophe	Catastrophe	Loss+ALAE	Trend	Loss+ALAE	ULAE	
Year	Loss+ALAE	Loss+ALAE	Factor	{{(7)-(8)}x(9)}	Factor	Development	Factor	
3/31/03	0	0	1.141	0	1.324	1.000	1.042	
3/31/04	0	0	1.141	0	1.289	1.002	1.042	
3/31/05	0	0	1.141	0	1.191	0.999	1.042	
3/31/06	0	0	1.141	0	1.103	0.993	1.042	
3/31/07	0	0	1.141	0	1.041	1.030	1.042	
	(14)		(15)	(16)	(17)			
	Trended							
	Adjusted		Adjusted	Accident	Reported			
Accident	Incurred		Loss+LAE	Year	Claim			
Year	Loss+LAE		Ratio	Weight	Counts			
	Prod{(10):(13)}		(14)/(5)					
3/31/03	0		0.000	0.00	0			
3/31/04	0		0.000	0.00	0			
3/31/05	0		0.000	0.00	0			
3/31/06	0		0.000	0.00	0			
3/31/07	0		0.000	1.00	0			

Weighted Experience Loss+LAE Ratio: **0.000**

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Rate Change History and Rate Level Adjustment Factors

Rate Changes by Program	
Renewal Effective Date	DP-3
None	0.00%

Rate Level Adjustment Factors	
Acc Yr Ending	DP-3
3/31/03	1.000
3/31/04	1.000
3/31/05	1.000
3/31/06	1.000
3/31/07	1.000

American Modern Select Insurance Company

Exhibit 4

State: Arkansas

Product: SITE BUILT DWELLING

SOB: All Channels

Calculation of Premium Trend Factors

Program: DP-3

Value Group	Earned Exposures for Year Ending:					Relativity	Average Relativities for Year Ending:				
	3/31/03	3/31/04	3/31/05	3/31/06	3/31/07		3/31/03	3/31/04	3/31/05	3/31/06	3/31/07
6,000	0.00	0.00	0.00	0.00	0.00	0.578	0.00	0.00	0.00	0.00	0.00
12,000	0.00	0.00	0.00	0.00	0.00	0.791	0.00	0.00	0.00	0.00	0.00
18,000	0.00	0.00	0.00	0.00	0.00	0.948	0.00	0.00	0.00	0.00	0.00
24,000	0.00	0.00	0.00	0.00	0.00	1.108	0.00	0.00	0.00	0.00	0.00
30,000	0.00	0.00	0.00	0.00	0.00	1.269	0.00	0.00	0.00	0.00	0.00
36,000	0.00	0.00	0.00	0.00	0.00	1.430	0.00	0.00	0.00	0.00	0.00
42,000	0.00	0.00	0.00	0.00	0.00	1.592	0.00	0.00	0.00	0.00	0.00
48,000	0.00	0.00	0.00	0.00	5.93	1.753	0.00	0.00	0.00	0.00	0.24
54,000	0.00	0.00	0.00	0.00	3.29	1.914	0.00	0.00	0.00	0.00	0.14
60,000	0.00	0.00	0.00	0.00	3.31	2.076	0.00	0.00	0.00	0.00	0.16
66,000	0.00	0.00	0.00	0.00	1.41	2.237	0.00	0.00	0.00	0.00	0.07
72,000	0.00	0.00	0.00	0.00	5.80	2.399	0.00	0.00	0.00	0.00	0.32
78,000	0.00	0.00	0.00	0.00	5.13	2.560	0.00	0.00	0.00	0.00	0.30
84,000	0.00	0.00	0.00	0.00	1.72	2.721	0.00	0.00	0.00	0.00	0.11
90,000	0.00	0.00	0.00	0.00	3.32	2.883	0.00	0.00	0.00	0.00	0.22
96,000	0.00	0.00	0.00	0.00	0.90	3.044	0.00	0.00	0.00	0.00	0.06
102,000	0.00	0.00	0.00	0.00	3.31	3.205	0.00	0.00	0.00	0.00	0.24
108,000	0.00	0.00	0.00	0.00	1.59	3.367	0.00	0.00	0.00	0.00	0.12
114,000	0.00	0.00	0.00	0.00	0.96	3.528	0.00	0.00	0.00	0.00	0.08
120,000	0.00	0.00	0.00	0.00	1.54	3.690	0.00	0.00	0.00	0.00	0.13
126,000	0.00	0.00	0.00	0.00	0.52	3.851	0.00	0.00	0.00	0.00	0.05
132,000	0.00	0.00	0.00	0.00	1.09	4.012	0.00	0.00	0.00	0.00	0.10
138,000	0.00	0.00	0.00	0.00	0.23	4.174	0.00	0.00	0.00	0.00	0.02
144,000	0.00	0.00	0.00	0.00	0.88	4.335	0.00	0.00	0.00	0.00	0.09
150,000	0.00	0.00	0.00	0.00	2.90	4.497	0.00	0.00	0.00	0.00	0.30
Total	0	0	0	0	44		0.000	0.000	0.000	0.000	2.737

Acc Year	Average Earned Relativity	Current Amount Factor	Fitted Exponential Curve #	Premium Trend Factor *
3/31/03	0.000	1.000	N/A	1.000
3/31/04	0.000	1.000	N/A	1.000
3/31/05	0.000	1.000	N/A	1.000
3/31/06	0.000	1.000	N/A	1.000
3/31/07	2.737	1.000	#NUM!	1.000

Annual Rate of Change: 0.0%

Trend Period Begins: 3/30/2006

Trend Period Ends: 5/31/2008

Projection Period (Years): 2.17

Premium Projection Factor: 1.000

* Premium Trend Factor = Current Amount Factor (x) Premium Projection Factor

4 Point Fit

American Modern Insurance Group

(Using American Modern Insurance Group Data)

Dwelling Average Catastrophe Factor

ALL Dwelling Programs

Arkansas

Accident Year Ending	(1) Catastrophe Losses	(2) All Losses	(3) All Less Catastrophe (2)-(1)	(4) Catastrophe Ratio (1)/(3)
12/31/1990	36,507	451,080	414,573	0.088
12/31/1991	28,758	324,344	295,586	0.097
12/31/1992	27,609	196,566	168,957	0.163
12/31/1993	1,067	293,493	292,426	0.004
12/31/1994	7,486	361,522	354,036	0.021
12/31/1995	15,965	263,202	247,237	0.065
12/31/1996	75,061	408,515	333,454	0.225
12/31/1997	98,119	286,510	188,390	0.521
12/31/1998	25,740	291,298	265,558	0.097
12/31/1999	249,611	421,403	171,791	1.453
12/31/2000	2,521	289,183	286,662	0.009
12/31/2001	11,377	44,503	33,126	0.343
12/31/2002	3,085	193,001	189,916	0.016
12/31/2003	9,670	726,333	716,664	0.013
12/31/2004	45,640	523,993	478,353	0.095
12/31/2005	11,814	417,690	405,875	0.029
12/31/2006	54,822	206,018	151,196	0.363

Wtd. Average: 0.141

Selected Catastrophe Factor: 1.141

American Modern Insurance Group Frequency, Severity and Pure Premium Trends

Arkansas SITE BUILT DWELLING DP-1

Countrywide Consolidated AMIG DWELLING FIRE DP-3 Program Data
Renewal Business, All Causes of Loss Excluding Catastrophe

Accident Period 12 Mo End Year-Qtr	Ultimate			Severity:		Frequency:		Pure Prem:	
	Reported	Ultimate	Earned	Average	Expo-	Ultimate	Expo-	Ult Inc'd	Expo-
	Claim	Incurred		Ultimate	nential	Claim Cnts	nential		
	Counts	Loss+LAE	Exposures	Incurred	Fit	Per 100 EE	Fit	per EE	Fit
2002-1	345	2,229,940	5,758	6,464	4,294	5.99	5.05	387.3	216.7
2002-2	307	2,087,474	5,656	6,800	4,451	5.43	4.84	369.1	215.5
2002-3	283	1,792,580	5,637	6,334	4,613	5.02	4.65	318.0	214.4
2002-4	273	1,265,060	5,717	4,634	4,780	4.78	4.46	221.3	213.3
2003-1	242	1,035,537	5,819	4,279	4,954	4.16	4.28	178.0	212.3
2003-2	254	975,371	5,864	3,840	5,135	4.33	4.11	166.3	211.2
2003-3	241	927,821	5,830	3,850	5,322	4.13	3.95	159.2	210.1
2003-4	202	1,028,464	5,690	5,091	5,515	3.55	3.79	180.7	209.0
2004-1	186	862,591	5,580	4,638	5,716	3.33	3.64	154.6	207.9
2004-2	144	763,619	5,592	5,302	5,924	2.58	3.49	136.6	206.9
2004-3	155	858,909	5,708	5,539	6,139	2.72	3.35	150.5	205.8
2004-4	158	677,704	5,946	4,285	6,363	2.66	3.22	114.0	204.8
2005-1	174	880,911	6,226	5,053	6,594	2.80	3.09	141.5	203.7
2005-2	190	1,158,508	6,526	6,113	6,834	2.90	2.97	177.5	202.7
2005-3	190	1,331,406	6,831	7,015	7,083	2.78	2.85	194.9	201.6
2005-4	191	1,535,326	7,066	8,033	7,341	2.70	2.73	217.3	200.6
2006-1	202	1,644,020	7,227	8,152	7,608	2.79	2.62	227.5	199.6
2006-2	209	2,066,787	7,303	9,906	7,885	2.86	2.52	283.0	198.6
2006-3	209	2,082,174	7,347	9,966	8,172	2.84	2.42	283.4	197.6
2006-4	202	2,410,596	7,400	11,919	8,469	2.73	2.32	325.7	196.5

Fitted Annual Trend (20 Point)	15.4%	-15.1%	-2.0%
--------------------------------	-------	--------	-------

Selected Annual Pure Premium Trend: -2.0%

Accident Year Ending	Trend Period			Trend Factor
	Beginning	End	Time(Yrs)	
3/31/2003	9/30/2002	11/30/2008	6.169	0.881
3/31/2004	9/30/2003	11/30/2008	5.170	0.899
3/31/2005	9/30/2004	11/30/2008	4.168	0.918
3/31/2006	9/30/2005	11/30/2008	3.168	0.937
3/31/2007	9/30/2006	11/30/2008	2.169	0.956

Exhibit 7
Page 1

[illegible]

Accident	
Quarter \ Age	
3-6	6-9
9-12	12-15
15-18	18-21
21-24	24-27
27-30	30-33
33-36	36-39
39-42	42-45
45-48	48-51
51-54	54-57
57-60	
2002-2	1.183
2002-3	1.053
2002-4	1.100
2003-1	1.119
2003-2	1.095
2003-3	1.088
2003-4	1.063
2004-1	0.974
2004-2	0.987
2004-3	1.105
2004-4	1.005
2005-1	1.009
2005-2	0.963
2005-3	0.990
2005-4	1.115
2006-1	0.993
2006-2	1.100
2006-3	1.026
2006-4	1.063

American Modern Select Insurance Company
Incurred Loss & ALAE Development Factors
Arkansas SITE BUILT DWELLING
Countrywide Consolidated AMIG Data

Exhibit 7

Page 2

Indicated Incurred Age-to-Age Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to Ult
Wtd Averages																			
All Qtrs	1.050	1.006	1.002	1.018	1.001	0.999	1.002	0.995	1.003	0.998	0.997	0.999	0.999	0.999	1.002	0.997	1.004	1.000	1.000
4 Point	1.048	1.000	0.994	1.038	0.998	0.994	1.007	1.001	1.001	0.999	1.000	1.000	0.997	0.999	1.003	0.997			
8 Point	1.025	1.003	1.002	1.023	0.995	0.997	1.005	0.996	1.004	0.999	0.996	0.999							
12 Point	1.023	0.999	0.998	1.019	0.999	0.999	1.003	0.995											
Avg (4,8)	1.036	1.001	0.998	1.030	0.997	0.995	1.006	0.998	1.003	0.999	0.998	0.999							
Arithmetic Averages																			
All Qtrs	1.054	1.002	1.004	1.018	1.000	0.998	1.002	0.995	1.003	0.998	0.997	0.998	0.998	0.999	1.003	0.997	1.004	1.000	1.000
4 Point	1.046	1.005	1.002	1.042	0.998	0.990	1.006	1.000	1.001	1.000	1.001	0.999	0.997	0.999	1.003	0.997			
8 Point	1.032	0.997	1.009	1.023	0.994	0.996	1.005	0.996	1.004	0.999	0.997	0.998							
12 Point	1.028	0.995	1.002	1.020	0.998	0.998	1.003	0.995											
8 Pt H/L	1.030	0.995	1.010	1.022	0.996	0.997	1.004	0.994	1.001	0.998	0.998	0.998							
12 Pt H/L	1.025	0.993	1.002	1.018	0.998	0.999	1.002	0.994											
Geometric Averages																			
All Qtrs	1.053	1.002	1.004	1.018	1.000	0.998	1.002	0.995	1.003	0.998	0.997	0.998	0.998	0.999	1.003	0.997	1.004	1.000	1.000
4 Point	1.045	1.004	1.002	1.042	0.998	0.990	1.006	1.000	1.001	1.000	1.001	0.999	0.997	0.999	1.003	0.997			
8 Point	1.031	0.996	1.008	1.023	0.994	0.996	1.005	0.996	1.004	0.999	0.997	0.998							
12 Point	1.026	0.994	1.002	1.020	0.998	0.998	1.003	0.995											

Selected Factors

	3 to 6	6 to 9	9 to 12	12 to 15	15 to 18	18 to 21	21 to 24	24 to 27	27 to 30	30 to 33	33 to 36	36 to 39	39 to 42	42 to 45	45 to 48	48 to 51	51 to 54	54 to 57	57 to 60	60 to Ult
Age-to-Age Factors	1.042	0.980	1.028	1.022	0.999	0.993	1.001	0.996	1.000	0.999	1.002	0.996	1.000	1.001	1.000	1.000	1.002	1.000	1.000	1.000
																				7614932.585
	3-Ult	6-Ult	9-Ult	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult
Quarterly Age-to-Ult Factors	1.059	1.017	1.037	1.009	0.988	0.989	0.996	0.995	0.999	0.999	1.000	0.998	1.002	1.002	1.001	1.002	1.002	1.000	1.000	1.000
	12-Ult	15-Ult	18-Ult	21-Ult	24-Ult	27-Ult	30-Ult	33-Ult	36-Ult	39-Ult	42-Ult	45-Ult	48-Ult	51-Ult	54-Ult	57-Ult	60-Ult			
Wtd Annual Age-to-Ult Factors	1.030	1.012	1.005	0.996	0.993	0.995	0.997	0.998	0.999	0.999	1.000	1.001	1.002	1.002	1.001	1.001	1.000			

American Modern Select Insurance Company
SITE BUILT DWELLING
Arkansas

Calculation of ULAE Factor
Ratio to Incurred Loss+ALAE

All Annual Statement Lines Consolidated AMIG Data

Calendar Year	2006	2005	2004
ULAE Incurred	15,194,970	13,597,575	14,164,401
Adjusted Loss+ALAE Incu	286,958,949	449,443,085	330,745,172
Ratio to Incurred Loss+AL	5.3%	3.0%	4.3%
3 Year Average	4.2%		

Selected ULAE Factor: **1.042**

American Modern Select Insurance Company

Exhibit 9

State: Arkansas

Product: SB / DP-3

Determination of Permissible Loss Ratio

		Calendar Year			Budget	Selected
		2004	2005	2006	2007	
(1)	Pre-Paid Commissions	N/A	N/A	17.6%		17.6%
(1a)	Contingent Commissions	0.0%	0.2%	1.3%	4.9%	4.9%
(2)	Other Acquisition Expense (Consolidated AMIG)	3.8%	4.9%	5.5%	5.6%	5.6%
(3)	General Expense (Consolidated AMIG)	11.4%	13.0%	12.9%	13.2%	13.0%
(4)	Taxes, Licenses and Fees	N/A	N/A	2.8%		2.8%
(6)	Reinsurance Expense (Consolidated AMIG)			1.4%	0.9%	0.9%
(7)	Total Expense					44.8%
Profit Loading Provision						
(8a)	After Tax Return on Equity Goal			16.5%		
(8b)	Target Premium to Surplus Ratio			2.3:1		
(8c)	After Tax Return on Premium [(8a)/(8b)]			7.2%		
(8d)	After Tax Return Generated by Investment Income (Exhibit 10, Page 1)			2.9%		
(8e)	After Tax Return Needed from Underwriting Profit [(8c)-(8d)]			4.2%		
(8f)	Before Tax Return Needed from Underwriting Profit [(8e)/(1.000-0.35)]			6.5%		
(8)	Selected Profit Loading Provision					6.5%
(9)	Total Expenses and Profit Provision [(7) + (8)]					51.3%
(10)	Permissible Loss+LAE Ratio [1.000 - (9)]					48.7%

Data applied to calculate commission ratio:

AMSArkansas SB / DP-3 Written Premium

AMSArkansas SB / DP-3 Paid Commission

Calendar Year		
2004	2005	2006
0	0	78,073
0	0	13,775
Calendar Year		

Estimated Investment Earnings on Unearned Premium and Loss Reserves

A. Unearned Premium Reserve

(1) Direct Earned Premium for 2006	\$157,362,467
(2) Mean Unearned Premium Reserve Ratio	46.9%
(3) Mean Unearned Premium Reserve (1) x (2)	\$73,825,981
(4) Deduction for Prepaid Expenses and Federal Taxes Payable	
(a) Commission	22.5%
(b) 50% of Other Acquisition	2.8%
(c) 50% of General Expenses	6.5%
(d) Taxes, Licenses, and Fees	2.8%
(e) Reinsurance Expense	0.9%
(f) Subtotal	35.5%
(g) Federal Taxes Payable	7.0%
(4T) Total Deductions	42.5%
(5) Unearned Premium Reserve Subject to Investment (3) x [1.0 - (4T)]	\$42,443,835

B. Delayed Remission of Premium (Agent's Balances)

(1) Agent's Balance or Uncollected Premium to Unearned Premium	
(a) Average Agent's Balance	\$124,288,418
(b) Direct Unearned Premium 2006 (All Lines)	\$394,423,161
(c) Ratio (a) / (b)	31.5%
(d) Direct Unearned Premium 2006 (ASLOB 1 & 2.1 Fire and Allied Lines)	\$81,353,142
(2) Delayed Remission (1c) x (1d)	\$25,635,546

C. Loss and Loss Adjustment Expense Reserve

(1) Expected Loss and Loss Adjustment Expense Ratio	48.7%
(2) Expected Losses and Loss Adjustment Expenses (A.1) x (C.1)	\$76,606,513
(3) Percent of Mean Loss & ALAE Reserves to Incurred Loss & ALAE	
(a) 2006 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	54.9%
(b) 2005 Mean Loss & ALAE Reserve to Incurred Loss & ALAE Ratio	36.6%
(c) Average of Mean Loss Reserve to Incurred Loss Ratios $1/2 \times [(a) + (b)]$	45.8%
(4) Expected Mean Loss Reserves (2) x (3c) x .958	\$33,592,583

D. Net Subject to Investment

(A.5) - (B.2) + (C.4) \$50,400,871

E. Before Tax Rate of Return

[(Exhibit 10, Page 3)] 5.0%

F. Average Rate of Return as a % of Direct Earned Premium

[(D) x (E)] / (A.1)] 1.6%

G. Before Tax Investment Income Return (Including Surplus)

(F) + [(E) x (1.0/Premium to Surplus Ratio)] 3.8%

H. After Tax Average Rate of Return as a Percent of Direct Earned Premium

(1) Average Federal Tax Rate on Inv. Inc. (Exhibit 10, Page 2)	22.3%
(2) After Tax Return Generated by Investment Income (G) x [1.0 - (H.1)]	2.9%
3 H.2 Adjusted for Assumed Data	0.029328141

American Modern Select Insurance Company
Investment Income and Other Income
ASLOB 1 & 2.1 Fire and Allied Lines
Countrywide Consolidated AMIG Data

Exhibit 10
Page 2

Average Federal Tax Rate on Investment Income

	(1) Investment Income 2004-2006	(2) Allocation	(3) Current Tax Rate	(4) Total Tax
	(A)		(B)	(2)x(3)
Bonds				
- Taxable	53,722,932	0.487	0.350	0.170
- Tax Exempt Municipal	35,250,174	0.319	0.053	0.017
Stocks				
- Acquired prior to 1987	0	0.000	0.105	0.000
- Acquired after 1987	\$17,021,019	15.4%	14.2%	2.2%
Short-Term Investments	4,348,938	0.039	0.350	0.014
Total	110,343,063	1.000		0.223

Notes: (A) From AMIG Annual Statement, Part 1.

(B) Under the 1986 Tax Reform Act, 15% of formerly tax-exempt income from securities purchased after August 7, 1986 is now taxable. Thus the estimated effective tax rates in 2007 will be:

Ordinary Income =	0.35
Tax Exempt Municipal - 35.0% x 15.0% =	0.0525
Stock Dividends (Acquired after 1987) - 40.5% x 35.0% =	0.14175
Stock Dividends (Acquired before 1987) - 30.0% x 35.0% =	0.105

Investment Income as a Percentage of Invested Assets

1995	5.5%
1996	5.1%
1997	5.1%
1998	4.7%
1999	4.5%
2000	5.0%
2001	5.2%
2002	5.2%
2003	4.5%
2004	4.3%
2005	4.4%
2006	4.5%

Twelve Year Average	4.8%
Latest Six Year Average	4.7%
Latest Year	4.5%
Projected 2007 (12 Year Trend)	4.4%
Projected 2007 (6 Year Trend)	4.1%

Selected 2007 Rate of Return

Before Tax	5.0%
After Tax [(1-0.223) x 5%]	3.9%

Rev. 4/96

Contact Person: _____
Signature: _____
Telephone No: _____

(1) LINE OF INSURANCE By Coverage	(2) Indicated % Rate Level Change	(3) Requested % Rate Level Change	FOR LOSS COSTS ONLY				
			(4) Expected Loss Ratio	(5) Loss Cost Modification Factor	(6) Selected Loss Cost Multiplier	(7) Expense Constant (If Applicable)	(8) Co. Current Loss Cost Multiplier
DP1	22.3%	-0.10%					
TOTAL OVERALL EFFECT							

Corresponds to Question 3 on RF-2 or RF-WC

Selected Provisions

		Rate Change History		5 Year History					
Year	Policy Count	%	Eff. Date	AR Earned Premium (000)	Incurred Losses (000)	Arkansas Loss Ratio	Countrywide Loss Ratio		
2006	419	-	-	141	34	.302	.575	A. Total Production Expense	23.3%
								B. General Expense	18.4%
								C. Taxes, License & Fees	2.8%
								D. Underwriting Profit & Contingencies	6.6%
								E. Other (explain)	0.8%
								F. TOTAL	51.9



AMERICAN MODERN SELECT
INSURANCE COMPANY

October 22, 2007

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: American Modern Home Insurance Company
DP1 Program
Rate Filing
Company File number: 20071003-03
NAIC Number: 38652

Dear Reviewer,

On behalf of American Modern Select Insurance Company I would like to address questions and concerns you have regarding our dwelling program filing submission. I will address these questions in order which they were presented.

Question 1)

[Show the formula used to calculate the indicated rate need shown on the RF-1.](#)

Answer: See attached spreadsheet for formula and more information.

Question 2)

[Provide a completed rate/rule schedule or complete the rate information of the rate schedule tab.](#)

Answer: Please see the attached transmittal.

Question 3)

[Provide justification for the changes to the insurance score relativities. Has the model been previously filed? If not, please file the current model.](#)

Answer: The model was filed with the state with the implementation of the Dwelling insurance score program in 2006.

Question 4)

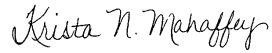
[The copy of the cover letter mentioned in the UT Document was not attached.](#)

Answer: Please see the attached cover letter.

I hope that I have answered your questions about this program and appreciate the time you have taken to review our filing.

If you should have any further questions or concerns regarding this submission please feel free to contact me by phone at 1-800-759-9008 Ext. 5953 or via email at KMahaffey@amig.com.

Sincerely,

A handwritten signature in cursive script that reads "Krista N. Mahaffey".

Krista N. Mahaffey
Compliance Analyst

American Modern Select Insurance Company

SITE BUILT DWELLING Rate Level Indication

State: Arkansas

Response:

We weight together the adjusted accident year loss+lae ratios and then credibility-weight the resulting ratio with the trended permissible loss+lae ratio. Credibility is based on the square root rule with 25000 Earned Exposures as the full credibility standard. We show the development of the complement of credibility on Exhibit 1, Page 2. We then divide by the permissible loss+lae ratio to get the Credibility-Weighted Indicated Rate Level Change.

** Numbers are from the American Modern Select DP-1 Program

Complement of Credibility Selection ---->	1 <--- 1: Trended PLR
(1) Weighted Experience Loss+LAE Ratio	0.916
(2) Hurricane Load	0.000
(3) Permissible Loss+LAE Ratio	0.481
(4) Loss Ratio Trend Factor	1.138
(5) Trended Permissible Loss+LAE Ratio used as Complement of Credibility	0.547
(6) Credibility (Square Root Rule, Full Credibility = 25000 Earned Exposures)	0.110
(7) Credibility-Weighted Loss+LAE Ratio [(1) x (6)] + [(5) x (1-(6))]	0.588
(8) Credibility-Weighted Indicated Rate Level Change [(7) / (3)] -1	22.3%

	Exhibit 1
	Page 2
<u>Complement of Credibility Calculation</u>	
(1) Permissible Loss+LAE Ratio (Exhibit 9)	0.481
(2) Hurricane Load	0.000
(3) Non-Hurricane Permissible	0.481
(4) Proposed Renewal Effective Date	12/1/2007
(5) Effective Date of Current Rates	1/0/1900
(6) Time Period in Years {(2) - (3)}/365 (Capped at 2 years)	2.00
(7) Ann Prem Trend (Exh 1, Page 1, Column 4 Annualized)	0.0%
(8) Ann Loss Trend (Exhibit 6)	6.7%
(9) Ann Loss Ratio Trend {[1 + (8)] / [1 + (7)]} - 1	6.7%
(10) Selected Trend Factor {MAX [(1+(9))^(6), 1.000]}	1.138
(11) Trended Permissible Loss+LAE Ratio (1) x (10)	0.547

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	20070601-07
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	N/A
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☐ Rate Increase ☒ Rate Decrease ☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
-----------	--	--

4a.	Rate Change by Company (As Proposed)						
------------	---	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
AMSIC		-0.10%	\$129	555	\$128,845	6.63	-14.00

4b.	Rate Change by Company (As Accepted) For State Use Only						
------------	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)			
--	--	--	--

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	-0.10%	
5b.	Overall percentage rate impact for this filing	-0.10%	
5c.	Effect of Rate Filing – Written premium change for this program	\$129.00	
5d.	Effect of Rate Filing – Number of policyholders affected	555	

6.	Overall percentage of last rate revision	
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7.	Effective Date of last rate revision	
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
-----------	---	--

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	R1-R12, F1 & F2, G1-G2, E1-E4	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**American Modern Select Insurance Company
Dwelling Program**

**Countrywide AMIG Group - Insurance Score Relativities
Summary of Retroactive Study
Policy Years 1989 to 2005**

Owner Occupied

Insurance Score*	Exposures	Earned Premium	Incurred Claims	Incurred Losses	Loss Ratio	Frequency	Severity	Loss Cost	Indicated Loss Cost Relativity	Indicated Frequency Relativity	Current CW Relativity	Selected Relativity
1-479	7,122	2,393,339	822	3,034,483	126.8%	11.54	3,692	\$ 426.05	2.27	1.98	1.94	1.94
480-509	9,157	3,204,386	899	3,433,098	107.1%	9.82	3,819	\$ 374.91	2.00	1.68	1.94	1.75
510-539	16,045	5,473,063	1,411	6,535,989	119.4%	8.79	4,632	\$ 407.35	2.17	1.51	1.50	1.50
540-559	14,644	5,242,374	1,247	3,646,075	69.6%	8.52	2,924	\$ 248.98	1.33	1.46	1.50	1.40
560-589	20,827	7,636,510	1,620	6,527,606	85.5%	7.78	4,029	\$ 313.42	1.67	1.33	1.30	1.30
560-709, Thin & No Hit	143,888	45,577,666	8,397	27,008,203	59.3%	5.84	3,216	\$ 187.70	1.00	1.00	1.00	1.00
710-744	13,105	4,498,888	676	1,865,068	41.5%	5.16	2,759	\$ 142.31	0.76	0.88	0.85	0.92
745+	40,475	13,824,665	1,762	5,056,142	36.6%	4.35	2,870	\$ 124.92	0.67	0.75	0.85	0.85

Rental Occupied

Insurance Score*	Exposures	Earned Premium	Incurred Claims	Incurred Losses	Loss Ratio	Frequency	Severity	Loss Cost	Indicated Loss Cost Relativity	Indicated Frequency Relativity	Current CW Relativity	Selected Relativity
1-569	32,998	9,120,541	1,622	7,888,099	86.5%	4.92	4,863	\$ 239.05	1.28	1.39	1.15	1.15
570-599	15,525	4,825,677	686	3,425,488	71.0%	4.42	4,993	\$ 220.65	1.18	1.25	1.15	1.10
600-619	13,923	4,312,919	576	2,596,021	60.2%	4.14	4,507	\$ 186.45	1.00	1.17	1.15	1.05
620-649, Thin & No Hit	223,134	62,831,064	7,901	41,581,679	66.2%	3.54	5,263	\$ 186.35	1.00	1.00	1.00	1.00
650-689	32,109	9,940,168	1,208	6,057,277	60.9%	3.76	5,014	\$ 188.65	1.01	1.06	1.00	0.90
690-734	36,187	11,344,743	1,234	5,425,076	47.8%	3.41	4,396	\$ 149.92	0.80	0.96	0.80	0.85
735	111,863	32,756,690	3,740	14,740,354	45.0%	3.34	3,941	\$ 131.77	0.71	0.94	0.85	0.80

* Choice Point Homeowners Attract Model

No hit - Defined as when there is no record of the applicant

Thin - Defined as when there is not enough data on the credit record to calculate a valid insurance score



AMERICAN MODERN SELECT
INSURANCE COMPANY

September 27, 2007

ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: American Modern Select Insurance Company
DP-1, DP-3 & Vacant Program
Rate/Rule/Form Filing
Company File number: 20070601-07
NAIC Number: 38652

Dear Reviewer,

On behalf of American Modern Home Insurance Company I would like to present a revision to our existing DP-1, DP-3 & Vacant Programs. This filing will take place of the current filing which was effective for new business on 11-01-2005. The corresponding form filing is also being submitted for your review, that project number is 20070601-07. I have enclosed the following to assist you with your review:

- Revised filing pages
- Actuarial Indications

Eligibility: Under the Vacant Program, we have added wording for a 12 month term and rates. We have also added wording that indicates 3 & 6 month terms are still available, at a pro-rated amount.

Rates: Insurance score tiers and factors have been changed as well as base rates for our DP-1 and DP-3 programs.

This concludes the summary of changes that we are proposing for this filing. I have included the appropriate proposed forms and revised manual. The proposed changes have resulted in a -0.10% impact. We do not feel as if these changes are excessive, inadequate nor unfairly discriminatory. The proposed effective date is December 1, 2007 for new business.

If you should have any questions or concerns regarding this submission please feel free to contact me by phone at 1-800-759-9008 Ext. 5953 or via email at KMahaffey@amig.com.

Sincerely,

Krista N. Mahaffey
Compliance Analyst